

"To promote Christian ideals for agriculture and rural life; to interpret the spiritual and religious values which inhere in the processes of agriculture and the relationships of rural life; to magnify and dignify the rural church; to provide a means of fellowship and cooperation among rural agencies: *Toward a Christian Rural Civilization.*"

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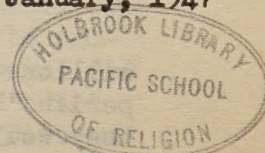
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FAO AND THE AMERICAN FARMER

by Sir John Boyd Orr*



I am glad to be here tonight because I feel that I am among my own people. As a farmer in Scotland, I face essentially the same problems that you face here in the United States. So I welcome this opportunity to talk to you not only as Director General of FAO, but as a farmer. Many people think of FAO primarily as an organization representing a great ideal, the ideal of eliminating hunger from the world. So it is. But as farmers and as representatives of successful farmer cooperatives, you know that such an ideal will get only as far as the soundness of the principles on which it is based. We all agree with the ideal, but unless we go at the job with a hard head as well as a warm heart, it will never become a reality.

When you consider man's primary need, food, it is evident that two opposite evils afflict the world: on the one hand, the existence of hunger and malnutrition among half the world's people; on the other, periodic unsalable surpluses of food, which result in falling prices that bring ruin to farmers. In the past, governments have dealt with these evils separately.

During the agricultural depression of the early 1930's, the prices that farmers obtained for their products were below costs of production. Agricultural departments devised measures to raise prices by restricting production and reducing or eliminating imports, trying to make each country self-sufficient. At the same time, government departments that were responsible for the health and welfare of the people were planning for more foods at lower prices that would bring them within reach of low income groups. In the international field, some governments were trying to reduce production and exports of wheat because commercial markets would not take all that was offered. At the same time, it was well known that millions of people in the world were hungry.

In 1934 these two problems, hunger on one side and unsalable surpluses on the other, were discussed together in the Assembly of the League of Nations. Mr. Bruce of Australia pointed out that an economic system which of set purpose restricted the production of food and other things which men urgently need was a system that could not endure. He advocated a world plan to bring about the

* An address by Sir John Boyd Orr, Director General, Food and Agriculture Organization of the United Nations, at the Eighteenth Annual Convention of the National Council of Farmer Cooperatives, Chicago, January 8, 1947. The increasing importance of food as it affects both areas of starvation and areas of surplus makes this message from the Director General most timely for members of the Christian Rural Fellowship. It is used with the kind permission of Sir John Boyd Orr.

marriage of health and agriculture and predicted disaster unless measures were taken on a world scale to provide food for the people of the world and bring prosperity to primary producers within an expanding world economy.

International committees were formed to consider these problems, but no action was taken to get the nations of the world to cooperate on a plan that would have gone far to alleviate unemployment and economic misery, which are among the causes of social unrest and war.

Then the second world war broke out, resulting in the loss of tens of millions of lives and untold misery. Truly, "where there is no vision the people perish." During this conflict the United Nations determined that after the war they would not fall back into the same errors, and President Roosevelt proclaimed freedom from want as one of the primary aims of the better world everyone envisioned. Since food is the first want of mankind, the United States called an international conference at Hot Springs, Virginia, to begin work on plans which would have as their goal providing enough food for all mankind. Out of that Conference arose the Food and Agriculture Organization of the United Nations (FAO). It came into existence on the 16th of October, 1945.

The job of FAO is no small one. In its simplest terms, it is nothing less than to banish hunger and malnutrition from the world and at the same time bring prosperity and stability to agriculture. Needless to say, this will not be done overnight, and it can be done only within the framework of an expanding world economy. How is FAO expected to attain these great aims? Obviously, the primary steps must be to bring together all information relating to food and agriculture and facilitate its free and rapid exchange throughout the world; to promote research and education on a far wider scale than at present; to give assistance to governments that ask for it in the form of missions to study their problems of food, agriculture, forestry, and fisheries; and to follow this up with technical aid in working out the solution of these problems.

To enable it to do this work, FAO is now organized in six technical divisions each of which has or will soon have at its head an expert with an international reputation. The divisions concerned with nutrition, agriculture, forestry, fisheries, and economics and statistics each has a Standing Advisory Committee of leading experts from all parts of the world to advise it.

But statistical and technical information is of value only if it is the basis for action, and missions and surveys are of little use if nothing results from them except the publication of reports. FAO has neither the funds nor the authority to ensure that action will be taken. It can, however, make recommendations to governments and to other United Nations agencies. The success or failure of FAO will depend upon the extent to which the recommendations it makes are put into effect. This involves more than action by individual nations. The nations of the world are now so dependent on each other that policies recommended to individual countries must fit into and be part of a world policy.

For example, there is no use making recommendations which aim at price stability and assured production for exporting countries unless at the same time means are taken to see that there will be a world market for the increased production. And there is no use in making recommendations for better feeding of the populations of countries that are not producing all the food they need unless means are taken to ensure that more will be produced in those countries and additional amounts will be available from the exporting countries. Thus the only way

to attain the great objectives of FAO, to which so far 47 nations have agreed, is by cooperation on a world food program which will reconcile any conflicting interests of consumers and producers and promote their common interests.

As Director General of FAO, I have taken the view that while collecting statistics, promoting research and education, and sending missions and giving technical assistance to the countries that ask for it are all absolutely necessary, the most urgent job is to get action taken on the information we already have. FAO has taken that line from the beginning. Within a few months after FAO was established in the autumn of 1945, it became evident from the information we already had that the world food position was more acute and would last longer than was generally thought.

There were already organization such as UNRRA, the Combined Food Board, and the Emergency Economic Committee for Europe dealing with the postwar crisis. But for one reason or another, none of these was broad enough to deal with the crisis as a whole, throughout its duration, and on a world scale. For that, a different kind of set-up was needed. Last May, therefore, FAO called a meeting at Washington of representatives of these temporary international organizations and of twenty-two governments which could make a major contribution in dealing with the crisis. A statement of the world food position, which, as you know, was very serious, was submitted to governments by FAO before the conference met.

The May conference did two major jobs. First, it agreed on the action that was needed for better distribution and use of the available food and for obtaining maximum production in the next harvest, and made recommendations for that action by all governments. Secondly, it set up the International Emergency Food Council (IEFC), which consists of representatives of twenty-eight governments with a Secretary General and a statistical staff appointed by FAO. That council is dealing, on a world scale, with the present food shortages. It recommends the allocation of exportable surpluses in accordance with the needs of different countries. Thus far, its recommendations have been honored by member governments. I hope they will continue to be while the world food crisis lasts, despite the natural drift in several countries toward dropping emergency powers.

Every three months FAO issues a full statement of the world food situation, as detailed as we can make it, for the guidance of the council and of governments. That is the action which was taken to deal with the immediate crisis.

But the May meeting recognized that the position might change quickly. The all-out effort for increased production of bread grains, potatoes, and other foods which could be produced quickly for the relief of hunger might bring a problem of a different kind. When Europe gets back to the prewar level of production, the exporting countries with their greatly expanded production might find themselves with unmarketable surpluses, which would lead to a slump in agriculture such as occurred after the first World War. Yet, paradoxically, there would still remain many millions of people suffering from hunger and malnutrition, just as there were before the war.

The delegates to the May meeting asked the Director General of FAO to submit a plan for dealing with these long range problems to the next annual conference of FAO. This plan, under the title of "Proposals for a World Food Board," was submitted to the Copenhagen conference last September. These "Proposals" were purposely presented in broad outline rather than in detail. They

stated the nature of the problems in food and agriculture and pointed out that if the people of the world are to be fed on a health standard, there will need to be a great expansion of agriculture in all countries. An expansion of agriculture on the scale needed will call for a vast output of capital equipment for agriculture and related industries. It will also entail expanded production of consumer goods in addition to food to meet the demands of the rising standard of living of food producers.

Providing food on a health standard for all people, therefore, can be the beachhead for an attack on world economic problems, designed to achieve a prosperous and expanding agriculture and expanded markets for industrial products. The outline of the plan for achieving these objectives included as one of its main elements the building up of a world reserve of food which would act as a reservoir to equalize good and bad harvests and bring about stabilization of prices in the international market. - -

Now how would a world food plan for improving health and stabilizing prices affect American farmers? We all remember only too well the slump in prices which took place after World War I and brought ruin to the farmers. In the United States the average price of wheat in the 1932 season was 38.2 cents a bushel; of corn, 31.9 cents a bushel; of hogs, \$3.34 a hundredweight. With the average income of the farming unit gradually reduced from about \$1500 a year in 1919 to about \$350 in 1932, the agricultural community had to cut down drastically on purchases of industrial products, which in turn resulted in unemployment in the towns. That reacted on agriculture by forcing townspeople to cut down on their expenditures for agricultural products.

So we had the downward spiral of depression leading to the economic crisis. Nobody wants that to happen again. Governments must take the action necessary to assure markets at fair prices for agriculture, not only in the interest of the farmer but in the interest of trade and industry and the whole people. But governments will find it difficult to continue to support prices nationally, as they are doing in the United States and the United Kingdom, if prices collapse in the international market.

Great Britain, after the last war, passed a corn production act to safeguard farmers. (I would remind you that in Europe the word "corn" means "grain", usually wheat.) But the sudden fall in prices in the international market made it impossible for the government to continue to support prices far above the level at which food could be imported. Within two years the act was repealed and agriculture was allowed to sink. With the rapid advance of modern science which makes increased production possible in agriculture, and the bumper harvests that occur in favorable years, that is what is bound to happen.

The world food proposals submitted at Copenhagen are built on the premise that agricultural price stabilization is a world-wide problem to be solved only by world-wide effort. They aim to stabilize prices in the international market by building up reserves and taking surpluses off the market if the prices fall below a certain level. This would greatly reduce the range of price fluctuations and take the strain off all governments which have given their farmers a guarantee of fair prices. Stabilization in the international market is essential to stabilization in internal markets.

We have never had international stabilization. What happens without it is well illustrated by the history of wheat prices in ten years before the

war, 1929 to 1939. In nine of those ten years, the price of wheat fluctuated in the world market by over 70 percent each year. No farmer can plan ahead when prices are liable to such rapid and drastic changes. It is not necessary that prices be fixed at a rigid level, but the degree of fluctuation must be within a narrow and reasonable range that will permit long term planning of their operations by the producers themselves.

The international food program proposed at Copenhagen provides for disposing of the reserves if they tend to accumulate to an embarrassing extent. In fact, for many years ahead there is an outlet for all the food that can be produced because more than half of the world's population, even in prewar days, did not enjoy food on a health standard. To go even part of the way to good nutrition and provide for population growth, the world will need in the next fifteen years an increase of 100 percent in the supply of milk and milk products, 46 percent in the supply of meats, and 163 percent in the supply of fruits and vegetables. The needed increases in animal products will furnish enlarged outlets for grain in addition to what is required for direct consumption by human beings.

Of course, there is another method of meeting the surplus problem - to cut down production instead of expanding consumption. That method was tried in the 1930's. But the public conscience will no longer tolerate the destruction of food or the throttling down of production while millions of people are hungry. Moreover, close government control over production, however necessary it may be in wartime, in peacetime would end free enterprise for the farmer. He would have to produce exactly what he was told to.

Farmers in this country and in the country where I come from do not relish such a system. What they need is an orderly market at fair prices. They believe they are quite capable of planning their own production for such a market. The viewpoint of farmers is well summed up in a statement made a few days ago before the Preparatory Commission on World Food Proposals now sitting in Washington. The statement was made by Mr. H. H. Hannam of Canada on behalf of the International Federation of Agricultural Producers, of which he is a Vice President.

The International Federation of Agricultural Producers, as you know, was organized on a provisional basis at an international farmers' conference held in London last May. The big farm organizations of the United States took part in that conference. Here are some of the points made in Vice President Hannam's statement for the International Federation last week:

"It seems to us that, in respect to international trade in food and farm products, the farmers of the world want:

- (1) The opportunity to produce abundantly in order to feed the people of the world better, but they want to know that such a program is well planned and organized so that surpluses will not accumulate and react disastrously on food producers while at the same time hungry people are unable to obtain needed food.
- (2) A stable market at a remunerative price, projected sufficiently far ahead to enable them to plan their production with confidence.
- (3) An end to the international economic anarchy which contributed so largely to the chaos and distress of the thirties...

"Orderly expansion and reasonable stability must be insisted upon as fundamental if sound and constructive progress is to be made from the start toward the FAO goal of a higher standard of nutrition and health

for the human family...

"When we consider the set-up of an international agency, it is of course desirable that provision be made for a coordination of the program of the food and agriculture agency with that of other United Nations organizations. Food is the foundation of well-being, the supplying of which, together with stabilization of returns for those who produce it, should not be submerged by treating it merely as one phase of a general trade program...

"Should the commodity agreement approach be finally decided upon we believe that adequate provision should be made for the coordination of the various commodity agreements and for an over-all coordinating committee or agency to give guidance and supervision in integrating the separate commodity agreements...

"While energetic action ... is necessary and desirable on the part of all nations working within their own borders, and individually behind a world food program, real progress is not likely to be made unless and until (such) an international committee or agency exists to assist in organizing and correlating and guiding, on a world basis, this expanding food production, distribution and consumption."

This expression of the views of farm organizations was presented to the Preparatory Commission as part of much other evidence they have been considering for the past two months.

What comes out of the Commission's deliberations we shall all know soon. I hope its report will be a major contribution toward solving some of the difficult problems that face American farmers and farmers the world over - that it will mark on a long step toward making it possible for farmers to continue to expand food production to meet the world's needs.

I hope that everyone here, and indeed the membership of all the great American farm organizations, will give that report careful study. If you do not agree with what is recommended, say so; say what you think should be done. If you do agree with it, then get behind it and do all you can to see that it is carried into action. The farmers of the world outnumber all other workers together and supply the basic needs of mankind. It is high time they had a voice and played a decisive part in international affairs to make this world a better place in which to live.